Rec'd 5/3/01

COMMONWEALTH *of* VIRGINIA

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April 25,2001

Mike Fiore, Director
Health Care Financing Administration
Center for Medicaid and State Operations
Family and Children's Health Program Group
7500 Security Boulevard
Baltimore, Maryland 21244-1850
(410) 786-0623

Dear Mr. Fiore:

Virginia submitted an 1115 Waiver application in December 1999 to extend Family Planning Services for women up to two years postpartum. We received some questions regarding the waiver on April 11,2000 and requested some clarification of two of those questions.

Regarding budget neutrality, in the waiver application pages **3** through *5*, we cited data from The Alan Guttmacher Institute, well known for research on reproductive health. In addition, we did talk to the Virginia Department of Health regarding public health clinics and Title X, information they had available is at the top of page **3.** Since you requested that we redo our budget neutrality worksheets, it seemed you disagreed with our methodology. We used the same calculations used by other states for their approved family planning waivers.

For the issue on abortions, when or if the waiver is approved, the regulations will include a prohibition of utilizing these family planning funds for abortions or anything related to abortions. Verification would occur on utilization reviews since we cannot be in the physician's office at the time of the visit.

We are enclosing our responses to the questions and the revised cost neutrality worksheets as requested. We ask that you review the enclosed responses, including the revised worksheets, and let us know if we have satisfactorily responded to your questions.

Sincerely,

/S/

C. Mack Brankley
(Acting Director)

MB/ata

Enclosure

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RESPONSE TO QUESTIONS ON THE FAMILY PLANNING
1115 WAIVER PROPOSAL

E d alit y · Attachment 1

1. E l l worksheet Make certain that t is a clear of the assumptions that are used hen submitting the with and without waiver costs.

   Enclosed.

Objectives-page 2

2. The program objectives are not clearly linked with the proposed evaluation questions. The objectives are fairly broad for a proposal that is very limited in scope, especially given the level of unserved need cited on page 4 of the proposal.

   Answer: The objective and evaluation questions link.
   Objective I measured by Evaluation Question 2.
   *Objective **2** measured by Evaluation Questions 1 and* **3.**
   *Objective **3** indirectly measured by Evaluation Questions 1, **3** and 4.*
   *Objective **4** measured by Evaluation Questions 4 and **5**.*
   *Objective **5** measured by Evaluation Question **5**.*
   Objective 6 measured by Evaluation Question **3.**
   Objective 7 is not covered in the Evaluation Questions and would be difficult to measure since Medicaid pays for few abortions, there is only the statewide abortion statistics.
   *Objective 8 measured by Evaluation Question **6.***

Target Population-page 6

3. How many women does the state anticipate will be eligible under the waiver? How did they arrive at that number?

   See question 1.

Services Provided-page 6

4. Please provide a detailed list of the services covered under this program. The services described in the proposal seem somewhat limited. Do the covered services include annual exams, pap smears, STD screens? Are these included under family planning office visits?

Answer: Services available under the project would include:

Family Planning Office visits
Annual exam
Pap testing
STD
Laboratory for Family Planning only
Family planning education and counseling
FDA approved contraceptives
Over-the-counter contraceptives
Diaphragms
Contraceptive Injectables
Contraceptive Implants
Sterilizations

Services do not include infertility treatments, or counseling, recommendations or performance of abortions.

5. The proposal states that hysterectomies (listed on page *6)* will be a family planning services subject to 90% FFP. Section 4270 of the State Medicaid Manual states that hysterectomies are not included in family planning services subject to 90% FFP. Hysterectomies are typically performed to treat serious medical conditions. It seems inappropriate to include them under this waiver. Please remove this service from the list of covered services.

Answer: Hysterectomies have been removed from the list of covered services under the waiver.

6. How does the state intend to prevent abortion counseling or referrals, particularly when they occur in the context of an office visit? What assurances can the state provide that the exclusion of these services will not deny women the right to be informed of all possible medical options available to them?

Answer: Although we can make it very clear that those services are not covered under the waiver, it will be difficult to prevent. However, since the purpose of the waiver is to prevent pregnancy, we would hope that the issue would arise very rarely. On utilization review, if identified payment would be rescinded

7. Explain what is meant by "referral as needed to other services".

Answer: The only service available to a recipient under this waiver is family planning services. If a health issue unrelated to family planning arises, a referral would be necessary to the appropriate practitioner. If the woman has other insurance, it ***would*** *be to her PCP or, if uninsured, to a clinic that provides services free* ***or*** *on a sliding fee schedule.*

Service Delivery-page 7

8. Who will provide family planning services under the waiver? Can the state ensure that existing providers will be able to meet the increased demand for services generated by this waiver? The state admittedly ranks 40* in the nation in the provision of contraceptive services to women in need. Has the state performed any analyses of the adequacy of provider capacity?

Answer: Current enrolled providers of Family Planning Services are Local Health Departments: 130; Physicians: 2,886; OB/GYN Physicians: 1,384; and OB/GYN Nurse Practitioners: 21. Total providers: 4,421.

9. Will the state encourage additional family planning providers to participate in the waiver? **If** so, how will they conduct outreach and encourage participation?

Answer: If any shortage of providers is identified, we will use the same methods currently in place to recruit providers.

Eligibility and Duration-page 7

10. Why is the state limiting eligibility to only two years following the delivery? Why not offer coverage for as long as the women continue to meet the Medicaid income requirements for pregnant women? Has the state performed any estimates of the target population using different eligibility requirements, such as the one suggested? If so, how many more women would be eligible and what would be the estimated increase in costs?

Answer: This waiver was requested to address a legislative mandate. The mandate was very specific and gave us no discretion.

11. Will the eligibility determination for the waiver be automatic or will postpartum women need to contact the office to indicate they want the coverage? If so, what will they be required to do and what information will they need to submit for the eligibility determination? What efforts is the state making to streamline the process?

Answer: Eligibility determination is already in place and the same process will be followed for the waiver. When a Medicaid recipient reaches 60 days post partum, a letter is automatically generated to tell the woman that her eligibility is ending and she needs to visit the local eligibility office to determine if she will continue to be Medicaid eligible in another category. We will be adding language to the letter to the effect that she could be eligible to receive family planning services if not otherwise eligible.

Outreach and education-page 8

12. What kind of activities will the state undertake to inform potential providers, both public and private, about the extended eligibility for family planning services?

Answer: Page eight of the waiver application already includes a number of outreach activities. In addition, we have our normal practices of mailing Memos to active and potential providers announcing the availability of the new services. We will have to develop regulations as required by our state administrative law and those will be published for comment. We have a training unit that does training on Medicaid services including new services. Additionally, there were many advocates lobbying for this expansion, so as soon as it is implemented they will spread the word.

13. What outreach or education efforts are being done currently to help prevent women from getting pregnant in order to keep from fulfilling the requirement needed for participation into this program?

Answer: As mentioned in the application, Medicaid provides administrative funding for two efforts, the Teen Pregnancy Prevention Program and Resource Mothers. The Teen Pregnancy Prevention Program guidelines have an emphasis on: abstinence, male responsibility, young teens, involvement of parents, life skills training, access to health care, educational programs, use of mentors and role models. Resource Mothers work with pregnant teens to promote best outcomes for the teen and infant and most importantly to develop a plan for the future including delay or prevention of a repeat pregnancy and involves the family and the father of the infant. Additionally, for any postpartum woman, the postpartum office visit includes counseling on family planning.

Evaluation-page 9

14. Section 1115 research and demonstration waivers are done to test innovative ideas. Why is the state interested in this proposal as a demonstration project? What results does the state hope to find that have not been implemented and studied elsewhere?

Answer: Virginia applied for an 1115 waiver as the only method we knew to implement the mandate of our General Assembly. We realize other states have done this and have other more innovative projects. If there is another way to implement the mandate, please let us know.

15. A "full" evaluation needs to be done of the program. An internal review of claims data is not sufficient. Evaluation planning needs to begin early in the project rather than having an evaluation methodology prepared in the final year of the project. The evaluation needs to be able to isolate the impact of this program from other family planning initiatives in the state. Please discuss how the evaluation will be conducted, who will do it, what will the design be, etc.

Answer: You will note on page 9 that the reference to review of internal claims data is a yearly review. It is by no means the final definitive evaluation. As noted, we are constructing a baseline database for comparison during the years of the waiver. Additionally we indicated that we would enter into an interagency agreement with one of our university research departments. We allow the research professionals to develop the methodology, but certainly it would involve a review of the claims data we have gathered, a review of and comparison to Virginia Vital Statistics, interviews with providers, recipients, and perhaps record reviews. Any valid methodology to answer the proposed questions would be considered.

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Attachment to Neutrality Worksheet

The Family Planning Services category includes recipients who received family planning and sterilization services in FY 1999. To compute the number of recipients and costs in FY 2000 and FY 2001, annual growth rates of -4.6% and 4.2% were used, respectively. These rates were derived from historical Virginia Medicaid family planning data for the last three years. The recipients in managed care plans were also included in the calculations.

The total number of maternity cases and deliveries include women in the Medicaid Fee-For-Service and managed care programs for FY 1999. A growth rate of -4.9% was used to compute the number of deliveries for FY 2000 and -.11% for FY 2001 – FY 2004. The growth rates were based on birth data collected from the Virginia Health Department.

An average maternity/delivery cost of $5,212 was multiplied by the estimated number of deliveries to derive total costs. The average cost was inflated b 3.1% for *FY* 2001 – FY 2004. The trend factor represents growth rates for inpatient hospital and physician services contained in the FY 2000 **HMO report.**

Newborn costs include babies who received ICU for inpatient and physician services.

It is expected that the number of recipients using family planning services in the wavier program will increase by **5%** in the first year and 10% there after.

The number of pregnancies averted due to the wavierwere based on a study by Tompkins, 1986. The study found that one pregnancy is averted for every 15 women who seek family **planning** services. For the estimate of deliveries in SFY 2000, this factor was divided by **2.**

ATTACHMENT 1 - FAMILY PLANNING WAIVER BUDGET NEUTRAILITY WORKSHEET

TOTAL COSTS WITHOUT WAIVER		SFY 2000	SFY 2001	SFY 2002			TOTAL
FAMILY PLANNING SERVICES (Recipients)	Persons	35,119	33,573	32,835	32,112	31,406	
	Per Capita	$263	$287	$299	$312	$326	
	Total	$9,231,578	$9,619,304	$9,821,310	$10,027,557	$10,238,136	$48,937,886
TOTAL MATERNITY AND DELIVERY COSTS	Persons	17,837	16,963	16,944	16,925	16,906	
	Per Capita	$5,212	$5,371	$5,535	$5,704	$5,878	
	Total	$92,966,215	$91 107,402	$93,780,288	$96,531,590	$ 9,363,610	$473,749,105
NEWBORN COSTS	Persons	17,837	16,963	16,944	16,925	16,906	
	Per Capita	$2,039	$2,101	$2,165	$2,231	$2,299	
	Total	$36,359,553	$35,642,362	$36,688,029	$37,764,373	$38,872,295	$185,336,613
TOTAL WITHOUT-WAIVER COSTS		$138,567,346	$136,369,068	$140,289,627	$144023,521	$148,474,041	$708,023,603
WITH WAIVER							
FAMILY PLANNING SERVICES	Persons	36,875	36,931	36,118	35,324	34,547	
	Per Capita	$263	$287	$299	$312	$326	
	Total	$9,693,157	$10,581,235	$10,803,441	$11,030,313	$11 261,950	$53,370,096
TOTAL MATERNITY AND DELIVERY COSTS	Persons	17,248	15,826	15,809	15,791	15,773	
	Per Capita	$5,212	$5,371	$5,535	$5,704	$5,878	
	Total	$89,898,330	$85,003,206	$87,497,009	$90,063,974	$92,706,248	$445,168,766
NEWBORN COSTS	Persons	17,248	15,826	15,809	15,791	15,773	
	Per Capita	$2,039	$2,101	$2,165	$2,231	$2,299	
	Total	$35,169,358	$33,254,324	$34,229,931	$35,234,160	$36,267,851	$174,155,624
SYSTEM CHANGES EVALUATION		$100,000			$100,000		
TOTAL WITH WAIVER COSTS		$134,860,845	$128,838,765	$132,530,380	$136,428,447	$140,236,049	$672,694,486
DIFFERENCE		-$3,706,501	-$7,530,304	-$7,759,246	-$7,895,074	-$8,237,992	-$35,329,117